

DATE: November 15, 2013

TO: Board Members of the Iowa Lottery Authority

FROM: Brenda Nye, Chief Financial Officer

Attached are the financial statements for October 2013. During October, we had revenue of \$24,596,177. This sales level resulted in \$6,149,653 of proceeds payable to the State General Fund and \$47,564 of proceeds payable to the Veterans Trust Fund.

Attachments

IOWA LOTTERY AUTHORITY
SCHEDULE OF ECONOMIC BENEFITS

October 31, 2013

Proceeds to Iowa Plan		\$170,318,439
Proceeds to CLEAN fund		\$35,894,355
Proceeds to Special Appropriations		\$13,773,572
Proceeds to Gambler's Treatment Program		15,732,208
Proceeds to the State General Fund:		
Prior to Fiscal Year 2014	\$1,231,172,262	
Fiscal Year 2014		
Transferred	19,072,199	
Payable	6,149,653	
		1,256,394,114
Proceeds to the Veterans Trust Fund:		
Prior to Fiscal Year 2014	\$13,396,520	
Fiscal Year 2014		
Transferred	669,244	
Payable	47,564	
		14,113,328
Total		\$1,506,226,016

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH AND YEAR ENDED OCTOBER 31, 2013

	Month ended October 31, 2013	Month ended October 31, 2012	Year-to-date October 31, 2013	Year-to-date October 31, 2012
OPERATING REVENUES				
Instant-scratch ticket sales	\$15,012,320	\$16,066,420	\$60,013,818	\$59,727,514
Pick 3 sales	580,792	569,486	2,270,074	2,242,118
Powerball sales	5,088,443	4,631,003	26,214,716	22,692,741
Mega Millions sales	1,161,481	1,132,618	4,458,756	4,718,739
Hot Lotto sales	754,760	926,568	3,472,135	3,540,433
Pick 4 sales	275,661	254,893	1,042,591	978,683
\$100,000 Cash Game sales	377,933	391,346	1,493,262	1,490,869
Pull-tab sales	1,344,126	1,506,381	5,388,851	5,658,948
Application fees	200	975	1,125	1,925
Other revenue	461	306	5,126	6,414
Total operating revenues	24,596,177	25,479,996	104,360,454	101,058,384
OPERATING EXPENSES				
Scratch ticket prize expense	9,558,191	9,441,527	38,682,661	37,298,842
Pick 3 prize expense	343,075	336,431	1,333,816	1,325,721
Powerball prize expense	2,502,758	2,234,115	12,820,049	11,073,151
Mega Millions prize expense	580,265	572,411	2,219,762	2,386,984
Hot Lotto prize expense	356,808	450,631	1,671,187	1,676,021
Pick 4 prize expense	163,972	150,876	609,205	575,940
\$100,000 Cash Game prize expense	202,094	209,188	798,667	797,448
Pull-tab prize expense	845,595	942,704	3,382,688	3,543,273
VIP Club prize expense	0	165,176	245,000	657,124
Promotional prize expense	5,752	16,991	106,963	41,376
Advertising/publicity	520,568	460,874	2,410,865	2,021,317
Retailer compensation expense	1,576,086	1,617,520	6,652,325	6,435,323
Ticket expense	239,243	261,430	1,092,464	956,076
Vendor compensation expense	503,644	515,399	2,130,019	2,025,267
Salary and benefits	775,265	787,953	3,234,202	3,156,279
Travel	34,728	35,886	143,435	141,367
Supplies	3,290	11,201	46,612	41,387
Printing	0	0	5,992	1,079
Postage	370	314	1,179	1,334
Communications	31,956	13,826	66,983	46,818
Rentals	25,459	24,705	101,375	99,781
Utilities	7,536	5,837	29,251	27,264
Professional fees	6,679	3,123	27,417	28,917
Vending machine maintenance	47,020	44,631	188,143	178,831
Outside services and repairs	24,487	34,785	133,987	102,107
Data processing	8,532	4,182	30,958	18,252
Equipment	44,872	26,633	79,043	79,096
Reimbursement to other				
state agencies	69,317	55,001	155,494	137,381
Depreciation	23,980	20,283	97,127	81,131
Other	18,746	9,172	36,429	21,103
MUSL administrative expense	4,434	3,087	17,734	12,350
Total operating expenses	18,524,722	18,455,892	78,551,032	74,988,340
Operating income	6,071,455	7,024,104	25,809,422	26,070,044

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH AND YEAR ENDED OCTOBER 31, 2013

	<u>Month ended October 31, 2013</u>	<u>Month ended October 31, 2012</u>	<u>Year-to-date October 31, 2013</u>	<u>Year-to-date October 31, 2012</u>
Non-operating revenues (expenses)				
Proceeds deposited to:				
State General Fund	(6,149,653)	(7,105,024)	(25,221,852)	(25,159,252)
Veterans Trust Fund	(47,564)	(69,313)	(716,808)	(889,905)
Interest Income	6,126	4,238	14,350	52,797
Interest expense	<u>0</u>	<u>(3,010)</u>	<u>0</u>	<u>(12,041)</u>
 Net non-operating revenues (expenses)	 <u>(6,191,091)</u>	 <u>(7,173,109)</u>	 <u>(25,924,310)</u>	 <u>(26,008,401)</u>
 Change in net position	 <u>(119,636)</u>	 <u>(149,005)</u>	 <u>(114,888)</u>	 <u>61,643</u>
 Net position, beginning of period	 <u>6,288,927</u>	 <u>5,406,608</u>	 <u>6,284,179</u>	 <u>5,195,960</u>
 Net position, end of period	 <u><u>\$6,169,291</u></u>	 <u><u>\$5,257,603</u></u>	 <u><u>\$6,169,291</u></u>	 <u><u>\$5,257,603</u></u>